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Outlook for US Agricultural Trade

Broiler meat exports in the first half of 2006 were up 3.3% from 2005 levels hitting 2.64 billion pounds, which was attributable to very low prices. Much of the increase in export volumes in 2006 was due to larger shipments to China/Hong Kong (+90%), Russia (+6%), and Mexico (+8%). While total broiler exports in the first 6 months of 2006 rose, shipments in the second quarter dropped 54 million pounds from last year. Export values also declined in the first part of 2006 to \$844 million, which was \$97 million below the previous year (-10%). Broiler meat exports for the remainder of 2006 are forecast to reach 2.8 billion pounds (+7%), due to bird flu related reductions in exports to a number of countries in the fourth-quarter of 2005. While most of the outbreaks had only a minor impact on overall broiler production, the news of the incidents temporarily lowered consumer demand.

Turkey meat exports in the first 6 months of 2006 hit 244 million pounds, which was down 11% from the year earlier. Shipments to a number of markets were lower with Mexico accounting for the largest percentage decrease. Exports of turkey meat to Mexico totalled 154 million pounds in the first part of 2006, which were 11% under 2005 levels, due to lower broiler prices influencing some to substitute chicken for turkey. However broiler prices are projected to strengthen in the second half of 2006 and in turn drive turkey exports to increase. Yet China/Hong Kong offset the reductions as exports were higher to this market. Forecasts for the remainder of 2006 are expecting turkey meat exports to jump 5% from 2005 to 310 million pounds. Source: USDA ERS

FSIS Library of Exports Update

Recently Revised Export Requirements as of August 21, 2006:

People's Republic of China

Eligible/Ineligible Products

B. Ineligible

5. Poultry and poultry products originating from Connecticut, Rhode Island, and New York. Effective August 18, 2006 poultry and poultry products originating from Pennsylvania.

Russia

Eligible/Ineligible

B. Ineligible

10. Poultry meat from the State of Michigan.

Mexico

Eligible/Ineligible

B. Ineligible

7. All unprocessed (non-heat treated) poultry products from the State of Michigan as of August 14, 2006.

Republic of Korea

Eligible/Ineligible

A. Eligible

1. Fully cooked poultry products.

B. Ineligible

1. All poultry and poultry products with the exception of fully cooked products.

Japan

Eligible/Ineligible

B. Ineligible

1. Egg products regardless of the date of lay from Connecticut, New York, and Pennsylvania.

Recently Revised List of Eligible US Plants for Poultry and Egg

Product Exports			
Country	Date	Country	Date
Japan (cold storage)	16-Aug-06	Australia	10-Aug-06
Mexico	10-Aug-06	South Africa	8-Aug-06

Source: USDA FSIS Library of Exports

Avian Influenza Update

August 19, 2006 Cambodia for the first time in 4 months detected 2 new outbreaks of highly pathogenic avian flu (HPAI) in ducks. One outbreak originated from a region with existing bird flu and eradication measures in operation, while the other was in nearby Batheay district. Prior to this, some 1,600 free-range ducks died or were destroyed on August 14, 2006, in the Preah Sdach District in the Prey Veng Province, due to the discovery of AI.

Trinidad and Tobago announced August 18, 2006 the detection of low pathogenic avian influenza (AI) at a farm in central Trinidad, during a routine surveillance check. Samples have been sent to the UK for verification and measures are being implemented to contain the spread. On August 15, 2006 reported HPAI in the Changsha Division in Hunan Province. About 218,805 birds died or were destroyed.

USDA announced August 14, 2006 of its detection of bird flu in 2 wild mute swans in Monroe County in the state of Michigan. Preliminary tests have ruled out the possibility of HPAI, however more tests are being carried out at the USDA National Veterinary Services laboratories (NVSL) in Ames, Iowa.

On August 13, 2006 2 dead young owls from the Blijdorp Zoo in Rotterdam, Netherlands tested positive for H5N1 bird flu. Investigations continue for the final confirmation. The zoo will remain open, though greater precautions were being taken, especially with handlers as they have the greatest exposure. Egypt vaccinated about 45.5 million domestic and zoo birds August 10, 2006 in response to the detection of 25 cases of HPAI in 15 governorates from April to June of 2006 on commercial farms.

Source: Promed/OIE/USDA FAS/APHIS

US Turkey Meat Exports to the Republic of Korea ('000 MT)

	2006	2005	2004	2003
Jan-Mar	376.5	201.6	366.1	1,360.5
Apr-Jun	828.2	179.2	70.7	1,300.3
Jul-Sep	0.0	416.8	52.2	724.6
Oct-Dec	0.0	445.1	190.5	675.7

US Broiler Meat Exports to the Republic of Korea ('000 MT)

	2006	2005	2004	2003
Jan-Mar	18,200.3	7,880.3	12,444.3	25,104.0
Apr-Jun	20,223.2	12,984.1	5,032.9	22,067.9
Jul-Sep	0.0	16,733.2	8,076.0	19,252.0
Oct-Dec	0.0	2,816.5	5,752.9	11,431.0

US Turkey Meat Exports to Mexico ('000 MT)

	2006	2005	2004	2003
Jan-Mar	34,641.4	36,354.3	20,622.6	19,293.4
Apr-Jun	31,919.2	37,848.6	22,475.7	24,835.3
Jul-Sep	0.0	39,778.4	35,541.3	28,149.6
Oct-Dec	0.0	39,342.1	36,330.7	32,588.1

Source: USDA FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending August 12, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	103	411	6,210	11,035
Frozen	0	0	172	42
Dried	0	0	365	448
Total	103	411	6,747	11,525

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending August 12, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	107	161	2,206	4,704
Frozen	27	0	753	508
Dried	0	25	66	371
Total	134	186	3,025	5,583

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending August 12, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	114
Extra Large	1,350	4,372	52,041	146,508
Large	4,280	4,355	105,011	264,011
Medium	2,310	3,527	57,102	80,539
Ungraded	0	0	79,004	62,704
Misc	0	0	5,267	7,753
Total	7,940	12,254	298,575	561,629

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

August 18, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	18.00	40,800	-
WTD AVERAGE		18.00		
15-20%				
RANGE	14.00-20.00	14.00-19.00	2,430,400	1,123,200
WTD AVERAGE	16.06	15.55		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S./Canadian Live Poultry Slaughtered Under Inspection

W/E 12-Aug-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	975	1,586	2,561
Last Week	1,028	1,561	2,589
Same week yr ago	1,187	1,720	2,907
To-date/2006	35,930	47,136	83,066
To-date/2005	48,298	45,364	93,662

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	62	0	62
Last Week	62	0	62
Same week yr ago	240	0	240
To-date/2006	5,568	23	5,591
To-date/2005	8,293	37	8,330

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,037	1,586	2,623
Last Week	1,090	1,561	2,651
Same week yr ago	1,427	1,720	3,147
To-date/2006	41,498	47,159	88,657
To-date/2005	56,591	45,401	101,992

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

August 18, 2006

CHICKEN WITH SKIN ADDED

--- PRICES ---		---- VOLUME ----		
FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.50	18.00	544,000	264,000
WTD AVERAGE	17.50	18.00		
15-20%				
RANGE	15.00-21.00	13.00-17.00	1,608,000	728,000
WTD AVERAGE	17.39	15.05		
20% OR MORE				
RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 18 AUGUST 2006.

The market tone on tom bulk parts was steady to firm. Demand light to good, mostly moderate to good. Offerings short to light and held with confidence. The market tone on thigh meat was steady to firm for the light to moderate inquiry. Offerings short to light. The market tone on mechanically separated turkey was steady to instances fully steady. Demand light to moderate for the tight to adequate offerings. Trading was active on white meat, balance slow to moderate. For domestic: breeder wings 41, Grade A non-basted 8-10 lb. breasts 135 and 12-16 lb. breasts 180, Grade A basted 8-10 lb. breasts 109-112, fresh breast trim 134-140 cents delivered. For export: tom defatted gizzards 63 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, AUGUST 18, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	36.50		36.50	260	35.51	528
WINGS FULL-CUT - TOMS		R	46.00	20	46.00	20
WINGS, V-TYPE, TOM		F	47.00	208		
TAILS		F	28.50	104		
MECHANICALLY SEPARATED 2/	20.00-25.00		21.25	160	21.25	160
THIGH MEAT - FROZEN		F	79.21	132		

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, AUGUST 17, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	34.00		34.00	80
WINGS FULL-CUT - TOMS	46.00		46.00	20
WINGS, V-TYPE, TOM		F	47.00	208
TAILS		F	28.50	104
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	79.21	132

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, AUGUST 16, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	34.00-35.00		34.50	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	47.00	208
TAILS		F	28.50	104
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	79.21	132

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, AUGUST 15, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		M	35.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	47.00	208
TAILS		F	28.50	104
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	79.21	132

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, AUGUST 14, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	35.00		35.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	47.00	208
TAILS		F	28.50	104
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		F	79.21	132

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.